Lafayette Redevelopment Agency Staff Report

For:	Redevelopment Agency Board
By:	Tony Coe, Engineering Services Manager
Date Written:	July 22, 2008
Meeting Date:	July 28, 2008
Subject:	Amendment of Technology Budget for Library Service

Introduction/Background

The Lafayette Library and Learning Center project includes a budget to purchase technology to support the library functions and services. Lafayette staff has been coordinating with County Library staff to initiate procurement of the necessary equipment. It was agreed that the County would take the lead in this effort, but an agreement is needed to formalize the scope of the purchase and the reimbursement arrangement. Staff is seeking the Board's approval of this agreement. Additionally, based on cost proposals received by the County, the technology budget requires an additional allocation of $383,100 to fully fund the equipment purchases. Staff seeks direction from the Board to allocate money for this purpose.

Discussion

The technology budget funds the purchase of equipment to support the new library operation and includes items such as computers, printers, servers, fax machines, book security, check-out and return handling equipment. A comprehensive list of equipment and associated costs and an equipment location plan are attached. The budget approved by the RDA Board in February 2007 allocates $538,700 for these purchases. At the time, many costs were unknown, especially costs associated with the automated book sorting system. While this type of system has been used at libraries throughout North America, the technology is constantly evolving, and the County will be employing it for the first time at the Lafayette location. The sorters included in the estimate 18 months ago are now somewhat dated, less efficient, and would not provide the high level of customer service benefits that current state-of-the-art systems afford.

Circulation at the Lafayette location is expected to double to 400,000 volumes with a larger facility and increased hours. Currently the existing library is served by 5.5 FTEs. The County originally allocated eight FTEs to the new facility with the assumption that automated sorters would enhance efficiency. Automated systems substantially increase the efficiency of the entire booking lending, return, and routing process to minimize the amount of handling by people, thus obviating the need to add staff. The County Library has identified the latest generation of technology that best optimizes its level of service. Additional background on the automated system is provided in the attached report from County Library staff. Cutting back on technology would potentially increase on-going operational costs in the form of extra

5B

personnel costs. The County Library has estimated that the sorters effectively replace two FTEs at an annual cost of $136,000 starting the first year.

The updated technology cost estimate prepared by County Library staff totals $1,068,700 with the two sorting systems. The County Library has pledged to contribute toward the purchase of selected items in the technology program, including the book security system and the self-check-out machines. These total $146,900. The current technology budget is $538,700. To fully fund the remaining purchases would require adding $383,100 to the technology budget.

The County Library has existing purchasing arrangement with various vendors for most of the equipment in question. More recently, it also completed an RFP process to select the automated book sorter vendor. Staff recommends that the County Library takes the lead in purchasing the equipment because its staff has the technical expertise and experience to select the equipment that best fits its operational needs and is most compatible with other County Library systems. The City Attorney has drafted the attached agreement to formally authorize the County Library to make these purchases and establish a reimbursement arrangement for them. An exhibit detailing the scope of the purchase authorized by the RDA Board will be attached to the agreement.

Fiscal Impact

The library technology budget requires $383,100 in additional funds to pay for all the equipment in the program and as recommended by County Library staff. The RDA Board has the option of allocating additional redevelopment funds to the augment the budget. Alternatively, if the Board does not wish to allocate additional funds, you may direct staff to spend a portion of the construction contingency on technology purchases. The project construction contract was originally approved with a contingency of $2.9 million, which is the standard 10% of the contract bid. Construction change orders to date have encumbered about one third of this contingency, with a little less than 50% construction spending remaining.

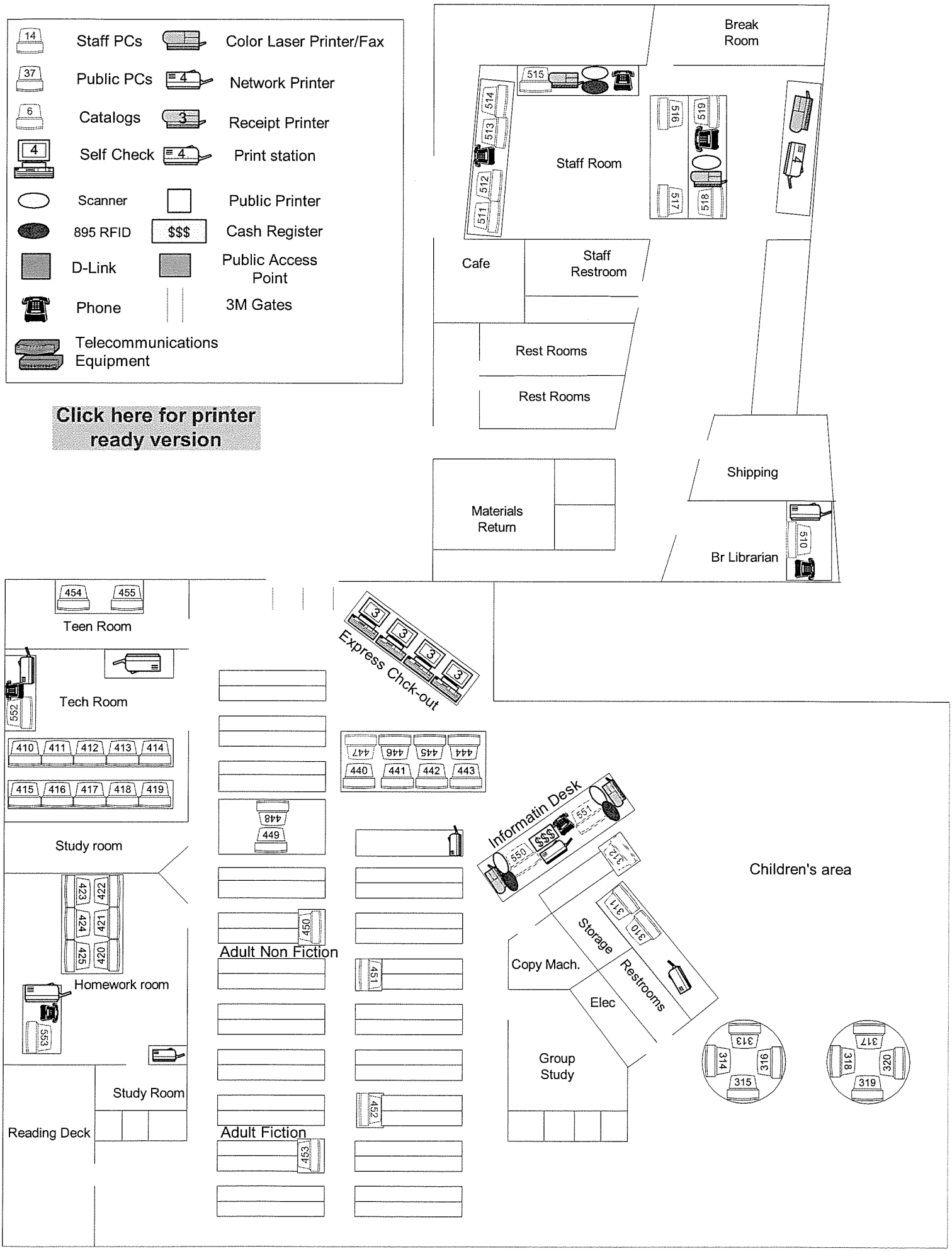
The RDA Board also has the option to fund only one of automated book sorters. Staff would need to confirm with the County Library that it would maintain its contribution of $146,900 toward technology purchases. In that case, there would be no shortfall. Otherwise, there would be a shortfall of $60,000, which could be funded from the construction contingency. However, depending on the RDA's arrangement with the County Library to fund on-going operations, there may be an increase of annual operating personnel costs in the amount of $136,000 for the first year and rising with wage escalation in future years.

Recommendation

1. Authorize the purchase of technology equipment as recommended and allocate $383,100 from the RDA budget to fully fund this purchase.

2. Approve reimbursement agreement with County Library for the purchase of technology equipment.

Automation Technology Plan/Budget				
Qty	**Item**	**Unit Price**	**Extended Price**	
1	8802 Security Gates	$13,275.00	$13,275.00	*
4	Self-Checks	$21,200.00	$84,800.00	*
4	Receipt Printers	$250.00	$1,000.00	
4	Barcode Scanner	$300.00	$1,200.00	
2	B/W Laser Printer Net	$375.00	$750.00	
3	895 RFID Reader	$4,180.00	$12,540.00	
1	Cash Register	$600.00	$600.00	
37	Public Computers	$1,750.00	$64,750.00	
1	ADA Monitor	$300.00	$300.00	
1	ADA Keyboard	$350.00	$350.00	
1	ADA mouse	$90.00	$90.00	
4	Print Station	$4,510.00	$18,040.00	
6	Catalog Computers	$1,840.00	$11,040.00	
14	Staff Computer	$1,550.00	$21,700.00	
3	B/W Laser Printer	$300.00	$900.00	
1	ADA Monitor	$300.00	$300.00	
1	ADA Keyboard	$350.00	$350.00	
1	ADA mouse	$90.00	$90.00	
1	Color Printer/Scanner/Fax	$800.00	$800.00	
1	Handheld RFID Reader	$12,200.00	$12,200.00	*
2	T1 lines	$1,600.00	$3,200.00	
1	Server rack	$1,500.00	$1,500.00	
3	Switches	$6,800.00	$20,400.00	
1	Router	$2,800.00	$2,800.00	
1	D-Link WiFi	$500.00	$500.00	
1	UPS	$300.00	$300.00	
1	Server	$3,000.00	$3,000.00	
10	Access Points WiFi	$425.00	$4,250.00	
60000	Book Tags	$0.56	$33,600.00	*
2000	CD Tags	$1.52	$3,040.00	*
1	Sorter- Basement Book Drop	$281,000.00	$281,000.00	
1	Sorter- Lobby Book Drop	$470,000.00	$470,000.00	
	TOTAL SYSTEM COST		$1,068,665.00	
	COUNTY LIBRARY SHARE*		$146,915.00	
	LAFAYETTE RDA SHARE		$921,750.00	


14 Staff PCs
Color Laser Printer/Fax
37 Public PCs
4 Network Printer
6 Catalogs
3 Receipt Printer
4 Self Check
4 Print station
Scanner
Public Printer
895 RFID
$$$ Cash Register
D-Link
Public Access Point
Phone
3M Gates
Telecommunications Equipment
Click here for printer ready version
Break Room
515
514
513
512
511
Staff Room
516
519
517
518
Cafe
Staff Restroom
Rest Rooms
Rest Rooms
Shipping
Materials Return
Br Librarian
510
454
455
Teen Room
Express Chck-out
552
Tech Room
410 411 412 413 414
415 416 417 418 419
Study room
447 446 445 444
440 441 442 443
448
449
Informatin Desk
550
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551
312
Children's area
423 422
424 421
425 420
Homework room
450
Adult Non Fiction
451
311
310
Storage
Copy Mach.
Restrooms
Elec
553
Group Study
313
314
316
315
317
318
320
319
Study Room
Reading Deck
452
Adult Fiction
453

Lafayette Library and Learning Center
Automated Materials Handling Systems

Introduction

Whenever an older library is replaced with a new state-of-the-art facility, circulation increases dramatically. This has been the case in Contra Costa County when new libraries replaced older ones in Danville, Oakley, San Pablo, and Orinda:

Library	Year Opened	Last Full Year Before Opening	First Full Year After Opening	% Increase From Last Full Year Before Opening	Most Recent Full Year 07/08	% Increase From Last Full Year Before Opening
Danville	1996	172,669	309,685	79%	343,802	99%
Oakley	1999	19,523	61,345	214%	98,307	404%
San Pablo	1999	37,476	47,304	26%	75,365	101%
Orinda	2001	151,009	221,104	46%	285,970	89%

The current Lafayette Library, with a collection of 64,000 items, circulated over 225,000 items in 2007-08. Based on this existing circulation activity, a final collection capacity of 117,000 items, and tremendous community anticipation, Library staff project that annual circulation at the new Lafayette Library and Learning Center will be over 400,000 in the first full year after opening.

In addition to this expected increase in activity, the Contra Costa County Library will soon be participating in LINK+, a networked catalog of holdings from numerous public and academic libraries in California and Nevada. Through LINK+, patrons can check out a book from any participating library via their own local library and have it delivered to the library of their choice free of charge. This new service will increase circulation activity at all locations. At the Lafayette Library and Learning Center, this access to a broader range of titles, including academic materials, will likely see significant use in conjunction with anticipated Consortium programming.

Overall, countywide library activity is increasing. In 2005-06, the Contra Costa County Library circulated 4,929,783 items. In 2006-07, total circulation was 5,428,511 items and for 2007-08, total circulation will exceed 6,200,000. The Library has adopted a number of self-service options to both enhance customer service and address the workload associated with these continuing increases. Self-check machines are available in all but the smallest facilities, and in locations where multiple machines are available, 80-90% of all borrowing is self-service. In four locations, patrons may also self-return items. This process pre-sorts returned items, limiting the number of times staff must handle each item, reducing staff time that must be allocated to this work, and leaving more time available for direct patron service. The Library recommends self-return options for all new and renovated libraries, including the addition of sorting equipment, or automated materials handling systems, where projected activity warrants it.

The Lafayette Library and Learning Center has two spaces designated for book return activities. The first is located in the staff workroom adjacent to the main entrance. A book return slot in the lobby will allow patrons to return items into that room, before entering the library. The second

space is located in the garage and is designed to allow 24-hour drive-up returns from the driver's side of a vehicle. Automated materials handling systems are recommended for both spaces to expedite the return process, ensure accuracy, provide faster access to returned materials, and make holds immediately available upon return.

The automated materials handling systems will incorporate a self-return feature that allows patrons to check in their borrowed items and receive a receipt at the end of the transaction. The returned items are then sorted onto Ergo Trolleys or into bins, according to their final destination, or are captured by a holds processing module that matches titles to patrons. Ergo Trolleys are movable carts that attach to the sorting systems to receive materials, and once full, can be raised and wheeled out to the shelves to replace materials, eliminating the need for the multiple sorts and transfers typically required during a manual process.

Benefits of Automated Materials Handling

- Self-return allows patrons to immediately clear items off their account so they can borrow more items without bumping into any limits and obtain a receipt to confirm that items have been returned.
- Automated materials handling systems greatly reduces the time it takes to get books and other materials back in circulation after they've been returned.
- The holds module detects items that have been reserved for patrons and captures them for immediate processing, making the items available much sooner than allowed by manual procedures.
- Using an automated materials handling system frees staff from time-consuming, labor-intensive book return processes and allows them to focus on higher-level activities such as reference assistance, collection development, programming and community outreach.
- With the use of Ergo Trolleys, library staff will handle returned items once, rather than as many as five times, from the point of return to the shelving of the item. This will not only greatly reduce processing time and the rate of errors, it will also decrease the level of physical labor that often leads to work-related repetitive strain injuries.
- With the efficiences achieved through automated materials handling, the anticipated increase in circulation activity from 225,000 items per year to over 400,000 will not require substantial increases in staffing. The Lafayette Library and Learning Center at over 30,000 SF in size will have 8 FTE to provide 58 hours of service, compared to the current Lafayette Library at 6,700 SF with 5.4 FTE to provide 40 hours of service.

Recommendation – Main Floor

A nine-bin sorter using a combination of Ergo Trolleys and small bins is recommended for the book return room located on the main floor of the library. This arrangement will allow for multiple sort configurations. Items returned during open hours will be checked in by library patrons and either promptly captured as holds for other patrons, sorted onto Ergo Trolleys for

immediate return to the shelves, or channeled into bins for later sorting as in-transit items for other library locations. Periodically throughout the day, the sort configuration will be changed to allow sorting by library location so that materials borrowed by Lafayette residents from other libraries can sorted into tote bins used by Contra Costa County Library to transfer materials from one location to another.

Proposed Configuration	Quantity	Component Price	Cost
Sorter size	9 bin	22,015.00	88,060.00
Public return - Internal	1	37,833.50	37,833.50
Staff Inlet	1	37,833.50	37,833.50
Turntable	1	21,165.00	21,165.00
Ergo docking stations	9	4,275.50	38,479.50
Spare batteries w/charger	2	1,355.75	2,711.50
Barcode Scanner	2	4,420.00	8,840.00
RFID reader	2	4,080.00	8,160.00
Holds Module	1	3,519.00	3,519.00
Ergo Trolleys	18	3,727.25	67,090.50
Small Bins	6	1,695.75	10,174.50
Tote Stand	9	777.75	6,999.75
ToteLifter	1	9,647.50	9,647.50
Switch deactivators	9	590.75	5,316.75
Bin full S/W	1	1,695.75	1,695.75
Sales Tax			28,670.96
Installation & Training			25,127.50
Freight			1,000.00
Performance Bond			24,336.51
Subtotal			**426,661.72**
2nd year Maintenance			**43,555.20**
Main Floor Total			**470,216.92**

Recommendation – Basement

An eight-bin sorter with extra large bins is recommended for the book return room located in the garage. This number will allow for broad sorting according to final destination and will have the capacity to handle a large number of after-hours returns. Some of these bins will be moved upstairs for final processing to capture holds and sort onto Ergo Trolleys for immediate return to the shelves. The remaining bins will hold materials for return to other library locations, which will be sorted directly into the Library's transfer tote bins.

Lafayette Library and Learning Center
Automated Materials Handling Systems

Proposed Configuration	Quantity	Component Price	Cost
Sorter size	8 bin	22,015.00	88,060.00
Public return - External	1	37,833.50	37,833.50
External Security Hatch	1	22,393.25	22,393.25
Fire Protection	1	6,736.25	6,736.25
Barcode scanner	1	4,420.00	4,420.00
RFID reader	1	4,080.00	4,080.00
Extra Large bins	12	2,346.00	28,152.00
Switch deactivators	8	590.75	4,726.00
Bin full S/W	1	1,695.75	1,695.75
Sales Tax			16,342.98
Installation & Training			22,730.00
Freight			1,000.00
Performance Bond			14,272.41
Subtotal			**252,442.14**
2nd year Maintenance			**28,463.40**
Basement Total			**280,905.54**

AGREEMENT FOR REIMBURSEMENT OF COSTS OF EQUIPMENT FOR USE IN THE NEW LAFAYETTE LIBRARY AND LEARNING CENTER

between

THE REDEVELOPMENT AGENCY OF THE CITY OF LAFAYETTE,
a public body, corporate and politic

and

THE COUNTY OF CONTRA COSTA

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is made this _____ day of July, 2008, by and between the REDEVELOPMENT AGENCY OF THE CITY OF LAFAYETTE, a public body, corporate and politic ("Agency"), and the County of Contra Costa, a political subdivision of the State of California ("County"). The Agency and County are sometimes individually referred to herein as "Party" and collectively as "Parties."

RECITALS

This Agreement is made with respect to the following facts:

A. The Agency is in the midst of building the new Lafayette Library and Learning Center (the "Library") and needs to purchase certain equipment to support future Library operations such as the electronic check-out process and inventory cataloguing of books, including generally an automated book handling system, book security system, checkout machines, computers, printers and networking equipment (the "Equipment.")

B. Because County will be operating the Library and is familiar with its operational needs, it has offered to purchase the Equipment, as well as books and other collection materials for the Library ("Books"), and to be responsible for the delivery and installation of both.

C. In exchange, Agency has agreed to reimburse the County for its costs in purchasing the Equipment and Books, up to but not exceeding the amount Agency has budgeted for the Equipment and Books ("Estimated Costs").

AGREEMENT

NOW, THEREFORE, in consideration of the following mutual promises and agreements, Agency and County agree as follows:

1. Incorporation of Recitals. The parties agree that the Recitals constitute the factual basis upon which the Agency and the County have entered into this Agreement. The Agency and the County each acknowledge the accuracy of the Recitals and agree that the Recitals are incorporated into this Agreement as though fully set forth at length.

2. Limitations on County's Authority to Purchase and Conditions Precedent to Agency's Obligations. The Parties have discussed and agreed upon the Equipment required and have estimated the aggregate Equipment costs to be approximately _____ ("Estimated Costs"). Agency authorizes County to purchase only the Equipment and Books described more fully in Exhibit A, and only to the extent that such purchases do not exceed the Estimated Costs also described in Exhibit A. If County purchases Equipment or Books that do not comply with Exhibit A or the terms and conditions of this Agreement, or that exceed the Estimated Costs, Agency shall have no obligation to reimburse County under this Agreement for those purchases.

3. Agency's Reimbursement of County's Costs. Subject to the foregoing Section 2, and the terms and conditions of this Agreement, Agency shall reimburse the County for all reasonable and necessary costs and expenditures incurred by County up to but not exceeding the Estimated Costs. County will send Agency a monthly balance sheet and/or invoice itemizing the costs incurred during the previous month and showing any and all outstanding amounts. Agency shall pay the invoice within thirty (30) days of receipt.

4. Term. The term of this Agreement shall commence on the date that this Agreement is fully executed by the Parties and shall terminate when County has purchased the Equipment and Books and installed said purchases at the Lafayette Library and Learning Center to the Agency's reasonable satisfaction and Agency has satisfied its obligation to reimburse County for the Estimated Costs.

5. Early Termination. Either Party may terminate this Agreement prior to the term set forth above if budgetary constraints or other unanticipated circumstances which prevent purchasing the Equipment or Books at the Estimated Cost arise, by giving ten (10) days prior written notice to the other Party. If either Party terminates the Agreement early, County shall instruct any purchasing agent it is using or has employed in connection with this Agreement to cease all efforts taken to purchase Equipment and Books under this Agreement within twenty-four (24) hours of the its decision to terminate, or Agency's notice of termination. However, in the event of early termination by either party, Agency shall remain obligated to pay for any Books and Equipment ordered or procured pursuant to this Agreement prior to the notice of termination.

6. Nonwaiver of Rights or Remedies. The failure of a Party to exercise any one or more of its rights or remedies under this Agreement shall not constitute a waiver of that Party's right to enforce that right or seek that remedy in the future. No course of conduct or act of forbearance on any one or more occasions by any Party to this Agreement shall preclude that Party from asserting any right or remedy available to it in the future. No course of conduct or act of forbearance on any one or more occasions shall be deemed to be an implied modification of the terms of this Agreement.

7. No Assignment. This Agreement may not be assigned by either Party, without the prior and express written consent of the other Party. Any attempted assignment of this Agreement not in compliance with the terms of this Agreement shall be null and void and shall confer no rights or benefits upon the assignee.

8. No Oral Modifications. This Agreement represents the entire understanding of the Agency and the County and supersedes all other prior or contemporaneous written or oral agreements pertaining to the subject matter of this Agreement. This Agreement shall not be modified except by a writing signed by both parties.

9. No Third-Party Beneficiaries. The performance of the respective obligations under this Agreement is not intended to benefit any party other than the Parties. No person or entity not a signatory to this Agreement shall have any rights or causes of action against any Party to this Agreement as a result of that Party's performance or non-performance under this Agreement.

10. Binding Upon Successors. This Agreement and each of its terms shall be binding upon and inure to the benefit of the successors in interest of the Parties hereto.

11. Indemnification. County shall defend, indemnify and hold Agency, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, arising out of or related to this Agreement that occur during the term of the Agreement. The County shall defend, at County's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Agency, its directors, officials, officers, employees, agents, or volunteers. County shall pay and satisfy any judgment, award or decree that may be rendered against Agency or its directors, officials, officers, employees, agents, or volunteers, in any such suit, action or other legal proceeding. The County shall reimburse Agency and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

12. Attorneys' Fees. In the event that any action or proceeding, including arbitration, is commenced by either Agency or County against the other to establish the validity of this Agreement or to enforce any one or more of its terms, the prevailing Party in any such action or proceeding shall be entitled to recover from the other, in addition to all other legal and equitable remedies available to it, its actual attorneys' fees and costs of litigation, including, without limitation, filing fees, service fees, deposition costs, arbitration costs and expert witness fees, including actual costs and attorneys' fees on appeal.

13. Choice of Law and Venue. This Agreement is executed and is to be performed in the City of Lafayette, County of Contra Costa, California. It shall be construed under and in accordance with the laws of the State of California and any action or proceeding to enforce or interpret it shall be brought and heard in the County of Contra Costa, California.

14. Time is of the Essence. Except as otherwise expressly stated, time is of the essence in the performance of every act required pursuant to this Agreement.

15. Covenant of Further Assurances. Agency and County shall take all other actions and execute all other documents which are reasonably necessary to effectuate this Agreement.

16. Interpretation. Agency and County agree that this Agreement is the product of mutual negotiations and is an arms-length transaction. Each Party has negotiated this Agreement with the advice and assistance of legal counsel of its own choosing. It is further agreed that this Agreement is a product of mutual drafting efforts by both Agency and County and, accordingly, the rule that ambiguities in a document shall be construed against the drafter of the document shall have no application to this Agreement.

17. Severability. If any term or provision of this Agreement is found to be invalid or unenforceable, Agency and County both agree that they would have executed this Agreement

notwithstanding the invalidity of such term or provision. The invalid term or provision may be severed from the Agreement and the remainder of the Agreement may be enforced in its entirety.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same agreement.

19. Exhibits. All Exhibits hereto are incorporated herein.

20. Representations of Authority. Each Party signing this Agreement on behalf of a party which is not a natural person hereby represents and warrants to the other Party that all necessary legal prerequisites to that Party's execution of this Agreement have been satisfied and that he or she has been authorized to sign this Agreement and bind the party on whose behalf he or she signs.

21. Notices. Notices required under this Agreement shall be sent to the following:

If to the Agency:

Redevelopment Agency of the City of Lafayette
3675 Mt. Diablo Boulevard, #210
Lafayette, CA
Attention: Executive Director
Fax Number: (925) 284-1122

If to the County:

_____
_____
_____, CA _____
Attention: _____
Fax Number: _____

Notices given pursuant to this Agreement shall be deemed received as follows:

(i) If sent by United States Mail - five (5) calendar days after deposit into the United States Mail, first class postage prepaid.

(ii) If by facsimile - upon transmission and actual receipt by the receiving Party.

(iii) If by express courier service or hand delivery - on the date of receipt by the receiving Party.

The addresses for notices set forth in this Section may be changed upon written notice of such change to either the City or the Applicant, as appropriate.

[*Signatures on the following page*]

Dated: _____

REDEVELOPMENT AGENCY OF THE CITY OF LAFAYETTE
a public body, corporate and politic

By: _____
Mike Anderson, Chair

ATTEST:

By: _____
Joanne Robbins, City Clerk

Dated: _____

COUNTY OF CONTRA COSTA

By: _____

By: _____

Exhibit "A"

Description of Equipment, Books and Estimated Costs